# Invesco True Balance Fund – Class A

Monthly Factsheet

30 June 2025

| Fund Managers |
|---|
| **Invesco Global Asset Allocation team**<br>Atlanta, GA, USA |

| Fund facts at a glance[1] |
|---|
| On 31 October 2022 the Fund was renamed to Invesco True Balance Fund, changed investment strategy and Investment Management was delegated to Invesco Global Asset Allocation team. |
| **Asset class**<br>Multi asset |
| **Objective[2]**<br>To achieve a positive total return over a market cycle with a low to moderate correlation to traditional financial market indices, targeting a gross return of 6% p.a. above the Bloomberg Ausbond Bank Bill Index with 8% p.a. target portfolio volatility. |
| **Management style**<br>Top down, fully systematic net long strategy that invests in liquid equity, bond and commodity markets through the use of derivatives. |
| **Benchmark**<br>Bloomberg AusBond Bank Bill Index |
| **Risk profile**<br>High |
| **Time horizon**<br>5-7 years |
| **Distribution frequency**<br>Annually, as at 30 June |
| **Inception date**<br>28/02/15 |
| **Minimum investment**<br>$20,000 |
| **MER/ICR**<br>0.55% |
| **Buy/Sell Spread**<br>0.15%/0.15% |
| **APIR code**<br>GTU0109AU |

## Fund performance analysis (periods to 30 June 2025)

**Net performance**

| Periods | Fund % | Benchmark % | Value added % |
|---|---|---|---|
| 1 month | 1.79 | 0.32 | 1.47 |
| 3 months | 0.20 | 1.02 | -0.82 |
| 6 months | 2.00 | 2.10 | -0.10 |
| 1 year | 0.94 | 4.39 | -3.45 |
| 2 years p.a. | 4.68 | 4.38 | 0.30 |
| 3 years p.a. | 5.37 | 3.88 | 1.49 |
| 5 years p.a. | 1.47 | 2.34 | -0.87 |
| 7 years p.a. | 1.18 | 2.08 | -0.90 |
| 10 years p.a. | 1.74 | 2.04 | -0.30 |
| Calendar year to date | 2.00 | 2.10 | -0.10 |
| Financial year to date | 0.94 | 4.39 | -3.45 |
| Since inception p.a. | 1.66 | 2.05 | -0.39 |

The Fund returns are shown after ongoing fees and assumes reinvestment of income. Past returns are not a reliable indicator of future returns. Future returns may be affected by a range of factors including economic and market influences.

**Assets under management**

| | A$m |
|---|---|
| Fund AUM: | 37.60 |
| Strategy AUM: | 14,618.66 |

## Fund analysis (as at 30 June 2025)

The data below is based on the underlying portfolio into which the Australian Fund invests.

**Total notional weights by asset class**

| | Fund % |
|---|---|
| Equities | 38.44 |
| Options | 16.35 |
| Bonds | 59.00 |
| Commodities | 20.98 |
| **Total** | **134.77** |

Total portfolio asset weight greater than 100% is achieved through derivatives and other instruments that create leverage.

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## Monthly commentary

### Market review

It was a wild ride for markets in the second quarter. The quarter began with President Trump's "Liberation Day" tariff announcement on April 2nd, rattling investors and triggering a sharp sell-off in equities and a notable surge in US bond yields. Tensions eased in May, however, sparking a "relief rally" across risk assets. Equities ended the quarter higher, while government bonds delivered more muted results. Government bond yields, particularly US 30-Year Treasuries, generally rose amid growing fiscal concerns in several developed economies. Meanwhile, the US dollar weakened, pressured by a Treasury credit downgrade and doubts over its safe haven status - benefitting ex-US markets. Commodities declined on tariff-driven volatility, with only precious metals advancing as investors turned to gold amid the turbulence.

### Contributors to performance

Strategy performance advanced in the second quarter with gains in the growth and defensive macro factors outweighing losses in the real return macro factors.

Macro factor - Growth: Improved market sentiment drove a rotation back into US equities, boosting performance across regions. Japanese equities were the top contributor, aided by yen appreciation against the USD, while US large and small caps rebounded strongly, with the S&P 500 reaching an all-time high and small caps lifted by optimism over tax and regulatory reforms. Emerging market equities also contributed, supported by a weaker dollar and easing US-China trade tensions. UK equities lagged due to high energy and healthcare exposure and elevated inflation, while European equities benefited from diversification flows. Defensive long-put options detracted as broad market gains reduced downside risk.

Macro factor - Defensive: The defensive macro factor contributed to performance, though results varied across markets. Australian government bonds benefited from a surprise dip in employment and a rate cut, while UK gilts gained as a softening labor market raised hopes for policy easing. German bunds performed well, seen as a safe-haven alternative amid ECB rate cuts, and Japanese government bonds contributed despite pressure from reduced Bank of Japan demand. In contrast, US Treasuries and Canadian government bonds detracted from performance due to rising yields driven by fiscal concerns and US policy uncertainty. Defensive factor exposure also added value, outperforming base indexes.

Macro factor - Real return: The real return macro factor detracted from performance, with only precious metals posting gains. Gold led the way, reaching a record high in April amid tariff-related uncertainty before stabilising. Industrial metals detracted as early losses in copper outweighed later gains, while agriculture suffered from losses in coffee, sugar, corn, soymeal, wheat, and cotton due to easing supply concerns and favorable crop conditions. Energy also detracted, mainly from declines in oil, natural gas, and most fuel products except heating oil.

Tactical positioning: Detracted from strategy performance due largely to month-over-month price reversals in bonds that made tactical positioning challenging. An overweight to energy in April and underweight in June also negatively impacted performance.

### Market outlook and portfolio strategy

As we enter the second half of the year, markets and investment portfolios stand at a pivotal crossroads. The foundational forces that have created the US equity-dominated environment - such as globalisation, record-low interest rates, subdued inflation and a strong US dollar - are beginning to reverse. The first quarter offered early evidence of this. The current US administration's trade policies are laying the groundwork for what could become a multigenerational transformation in the global trade and financial order. Historically, such structural changes have coincided with significant shifts in asset markets. In this evolving landscape, we continue to emphasise the importance of broad diversification, as a shift from underlying fundamentals, including a weaker dollar, may drive a rotation away from US equities.

Positioning for July remains overweight equities, although slightly decreased from the max overweight (50%) in June. The underweights to both bonds and commodities slightly decreased with commodities moving closer to neutral. Total portfolio risk increased in July from June.

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## Notes

[1] The Fund changed strategy on 31 October 2022.
[2] Invesco does not guarantee that the Fund will achieve its objective.

## Important Information

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